Basic Concepts of Social Welfare in CEE

Legal Obligation

Bureaucratic state collectivism excluded the right to articulate and to lobby for needs from grassroots. "Welfare recipients were objects of provision and never active subjects in defining needs and running services that met needs." (Deacon, 1992: 7).

The transition is from bureaucratic state collectivism to capitalism (Deacon, 1993: 183).

Transformation is understood to eliminate the "social" elements of the socialist economic system which have a non-market or anti-market character (Ferge, 1991: 97).

Classical trade between equity and efficiency has shifted to a view that the enforcement of equity has harmed efficiency. Assumed that efficiency will be enhanced if not a centrally supported objective (Ferge, 1991: 83).

In the pre-transition period the government's commitment to women's emancipation was manifested in equal pay provisions and provisions to facilitate women's labor market participation through child care and maternity benefits, although provisions varied widely being low in Poland and high in East Germany. Women accounted for almost 50% of the labor force (Einhorn, 1992: 15).

Enterprises can shed enterprise creche/nursery in order to be more competitive giving them to local authorities which have no resources (Einhorn, 1992: 19).

Conceptual Framework


Shift in nature of social inequities in use of, and access to, social provision from those based on bureaucratic/political privilege to those based on market (Deacon, 1992: 170).

Change in function of social security. More need with loss of job guarantees. Transition has clearly distinguished wages from social benefits (previously they were the same). Social security has had to take place of subsidies. There is now a clear division between the economy and social security (Zukowski, 1993: 6-7). Employment, wages, and prices are gradually giving social security the social function they used to perform (p. 13).

Withdrawal of the state and replacement of direct intervention with fiscal and monetarist measures (Ferge, 1991: 77).
Spreading conviction that SI must be purified from non-SI and separated from other programs (Ferge, 1991: 82). Clear distinction between benefits and services covered by general revenues and from payroll contributions.

Arguments for income-tested benefits - despite cost of selectivity and negative social impact (Ferge, 1991: 82).

A weakening of social solidarity, increasingly stringent eligibility requirements for entitlement (Ferge, 1991: 82).

Shift from security to piecemeal freedom (Ferge, 1991: 84).

More means-tested for the most needy but no administrative experience in this area (Older Women, 1992: 5).

Shift in rationale for a viable pension system to a private one for the primary purpose of stimulating the growth of domestic savings and to channel the savings to financial markets for investments and to stimulate flagging economies (Tamburi, 1992: 3).

Women were legislative defined as both workers and mothers, men were not defined as workers and fathers (Einhorn, 1992: 15).

Many social benefits for women were contingent on labor force participation, part-time work was not a viable option (Einhorn, 1992: 16).

Growing concern that the current economic and political climate is being used to exclude women from decision-making positions (Einhorn, 1992: 23).

Obstacles

Expectation government to fulfill promise of decent housing, good health services, security in old age, etc. Constitutes a constraint on policy (Deacon, 1992: 8).

Fewer funds to meet rising expectations (Deacon, 1992: 9).

Variation in willingness and preparedness of population to be active political, economic and social citizens (Deacon, 1992: 11).

Pressure against child care and child grants as unemployment rises, expectations for mother to provide care, not state (Deacon, 1992: 12).

No appropriate models for health services, lack of organizational skill, management, etc. (Deacon, 1992: 13).
Inexperience in East Europe with appropriate types of managerial and financial expertise required for a market economy (Einhorn, 1992: 20). There are opportunities to train women in these fields.

Voluntary initiatives exist alongside underfunded, ill-organized local services (Deacon, 1992: 174).

Financing social security limited by: unemployment (reduces revenue), budget deficits (reduced production, less tax revenue, tax evasion), inadequate tax system (Zukowski, 1993: 7).

Strong market orientation, limited resources, conservative thinking (Ferge, 1991: 82).

Communist managers still in power in enterprises as well as in government ministries (Horlick, 1993: 18).

An ILO study in Russia revealed little interest among men (68%) or women (72%) in becoming managers (Einhorn, 1992: 2).

Trade unions are still largely headed by former leaders who resist change. Difficult to shift from part conduct to actual representation (Horlick, 1993: 18).

Employer-sponsored plans are slow to develop due to lack of precedents and rules, extent of inflation, status of legislation, and other uncertainties (Horlick, 1993: 19).

Already huge social security contribution rates of 45-53% (paid largely by ER - in reality the state). (Older Women, 1992: 5).

Growing non-compliance of payroll taxes because there was no viable system of tax payments and because of double-digit inflation - withholding payment of assessed taxes is very profitable (Tamburi, 1992: 4).

Only anecdotal information on discrimination of employment and marginalization of minorities (Fischer & Standing, 1991).

Little empirical data on the impact of the transition on patterns of female labor force participation (Einhorn, 1992: 18).

**Forces of Exertion**

Need to fulfill promise of health and income security (Deacon, 1992: 8).

Appalling conditions of housing, morbidity, poverty, poor education (Deacon, 1992: 8).

New welfare problems emerging from the transition to a market economy


Rising unemployment, changes in employment structure, decline in standard of living, rising income differentials, high rate of inflation that reduce value of benefits and services (Zukowski, 1993: 7).

Growth in poverty (homeless, unemployed, low paid, part of the elderly, families with 3 or more children). (Ferge, 1991: 85).

Companies have been encouraged by transnational employee benefit agencies (Wyatt, etc.) to shift burden of benefits to public institutions in the short run (Multinations, 1992: 36).

Inflation has eroded value of pensions.

Growth in unemployment, which is predicted that women will be the majority (Older Women, 1992: 4).

Women are the majority of unemployed: 46% in Slovenia in 1990, 51% in Poland in 1990, 54% in GDR in 1991, 70% in Bulgaria in 1990, projected 66% in Czech Republic (Einhorn, 1992: 18). Due to closing of textiles and light industries. Sever regional imbalances.

Atomization of the family and the declining ability of children to look after their parents (Mladenovic, 1989: 155).

25-33% totally dependent on pensions (Hambor & Ross, 1992: 10).

Fear of womens' shift to "secondary worker" status due to unemployment (Fischer & Standing, 1991: 9).

Displacement of older workers (Ibid).

Loss of child care in creche/nursery school which is linked to employment. Woman loses full-time job, also loses subsidy for care (Einhorn, 1992: 19).

Changing nature of work for women has increased traditional dependency on marriage accompanied by a cycle of social dysfunction: alcoholism leading to violence in marriage, suicide, marriage counseling centers, women refuges centers. Marriage is an economic unit that women are insecure about leaving (Einhorn, 1992: 20).
Service and Benefits Needs Defined by Government

Targeting of benefits to the most needy is highly questioned (Fischer & Standing, 1991: 21; Ferge, 1991).

Retraining programs for persons aged 30-47 (Einhorn, 1992: 19).

Specific Programs

Deacon (1992: 170) lists several areas of policy initiatives that are broadly similar (also Ferge, 1991):

- Ad hoc development of services and benefits for unemployed.
- Appeals to philanthropy and voluntary efforts.
- Removal of subsidies.
- Limited privatization of some health and social care.
- Encourage private housing.
- Erosion of women's rights to some child care and benefits and legal abortion.
- Fully funded social insurance to replace social assistance.
- Abolition of many employer health facilities.
- Ending of privilege of nomenklatura status.
- Increase local community control over local social provision (however, no local tax base and no federal funds).

Downsize tax-supported pensions by lowering replacement rates. Tighter eligibility requirements. Supplemental defined-contribution plans (Hambor & Ross, 1992: 11).

Raise retirement age and level of pensions (Fischer & Standing, 1991: 17) for OECD.

Retraining programs focusing on word processing, marketing, distribution, taxation, banking and accountancy. Focused on people aged 30-47, excluding many older women. (Einhorn, 1992: 19).

MSC

Unemployment will lead to women wanting to escape the double-burden of work and motherhood (Deacon, 1992: 12).

Much variation in frameworks, etc.

Strong tradition of small-scale rural entrepreneurs and urban street vendors in Hungary and Poland. Women have been viable vendors in the unregulated economy. Sustainable enterprises could be built on these skills (Einhorn, 1992: 22).

More effort to train social workers in organization and administrative skills with less emphasis on care work (Ventura, 1992: 157).